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IAC-D-77/2
31 December 1953

INTELLIGENCE ADVISORY COMMITTEE

BUDGETARY ANALYSIS OF INTELLIGENCE PROGRAMS

1. Attached is a Revised TAB B to be substituted for TAB B to IAC-D-77/1, 28 December 1953, which may be destroyed.
2. The attached revision adds to paragraph 3, as an additional classification, "g. Geographic." This agreed classification was inadvertently omitted from IAC-D-77/1. The Bureau of the Budget has been so notified.

RICHARD D. DRAIN
Secretary

Sup. JCR

IAC-D-77/2
31 December 1953

MOR/CDF Pages 2-5

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TAB B to
IAC-D-77/1
28 December 1953
(Revised 31 December
1953)

Suggested Categories for the Survey of Intelligence Budgets

1. The major categories should be restricted to the classical classification of intelligence, namely: collection, production and dissemination.
2. The category "collection" should be divided as overt and covert.
3. Intelligence activities under the category "production" should be further classified as follows:
 - a. Political, cultural and sociological
 - b. Ground Forces
 - c. Naval Forces
 - d. Air Forces
 - e. Economic
 - f. Scientific and Technical
 - g. Geographic
4. No attempt has been made to classify "production" or the subdivisions of "production" as basic, current and national intelligence. Such a division, if made, would be unrealistic, inasmuch as in some agencies the employment of personnel on these respective categories of intelligence will vary with the intensity of international relations and crises. There is no formula thus far discovered or used among the agencies which could indicate the actual allocation of total resources to those categories of intelligence.
5. The category "dissemination," for the sake of uniformity in the survey, should include screening, reproduction, translation, distribution and libraries, although the relationship of those functions to both production and collection is recognized.
6. In connection with these activities, whether by intelligence or by operations, which serve purposes other than intelligence, the approximate intelligence cost should be broken out and listed. This is particularly applicable to certain problems in collection, but is not necessarily restricted to collection.

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TAB B to
IAC-D-77/1
(Revised 31 December
1953)


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IAC-D-77/1
28 December 1953

INTELLIGENCE ADVISORY COMMITTEE

BUDGETARY ANALYSIS OF INTELLIGENCE PROGRAMS

Attached (TAB A) for the information of the IAC is a copy of the DCI's letter to the Bureau of the Budget on this subject. The letter incorporated suggestions made at the IAC meeting of 15 December (IAC-M-133, paragraph 3) and transmitted suggested categories (TAB B) as they were amended at that meeting and subsequently discussed with Mr. Macy.


Secretary

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IAC-D-77/1
28 December 1953

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TAB A to
IAC-D-77/1
28 December 1953

COPY

23 December 1953

MEMORANDUM FOR: Mr. Robert M. Macy
Bureau of the Budget

SUBJECT: Budgetary Analysis of Intelligence Programs

1. In response to your 17 November 1953 request for advice and assistance from the Intelligence Advisory Committee in the development of a more adequate budgetary analysis of U.S. intelligence programs and more specifically in the formulation of a categorized approach to budgetary analysis, there is attached a suggested initial listing of categories to accomplish these purposes.

2. In keeping with the understanding reached at the IAC meeting at which you were present, internal security programs are excluded from the categories as they will be excluded from the analysis.

3. Based on informal consultation, it is my understanding that you believe these categories will be suitable to assist you, at least in the initial stages, to achieve the objectives outlined by you on 17 November to the IAC.

4. As the survey proceeds, the Bureau should feel free to call upon the IAC for additional assistance, as appropriate. It would be appreciated if the Bureau's findings would be made available to the IAC.

/s/ Robert Amory, Jr.
for
ALLEN W. DULLES
Director

TAB A to
IAC-D-77/1
28 December 1953

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IAC-D-77/1

28 December 1953

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TAB B to
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(SENDER WILL CIRCLE CLASSIFICATION TOP AND BOTTOM)

CENTRAL INTELLIGENCE AGENCY
 OFFICIAL ROUTING SLIP

TO	INITIALS	DATE
1 Mr. Reber AD/IC		
2 1128 M Building		
3		
4	25X1	
5		

FROM	INITIALS	DATE
1 E. B. Wilhelm		3/22/54
2		
3		

<input type="checkbox"/> APPROVAL	<input type="checkbox"/> INFORMATION	<input type="checkbox"/> SIGNATURE
<input type="checkbox"/> ACTION	<input type="checkbox"/> DIRECT REPLY	<input type="checkbox"/> RETURN
<input type="checkbox"/> COMMENT	<input type="checkbox"/> PREPARATION OF REPLY	<input type="checkbox"/> DISPATCH
<input type="checkbox"/> CONCURRENCE	<input type="checkbox"/> RECOMMENDATION	<input type="checkbox"/> FILE

Remarks: 1. Per our phone discussion, attached is the suggested budget classification and allocation of our activities developed by the Budget Bureau which has been referred to us for review by Chuck Mason.

2. Recognizing certain shortcomings in the Budget Bureau's allocation of our activities, I am proceeding, at Mason's request, to assess dollar amounts (1954) in accordance with Tab B.

SECRET CONFIDENTIAL RESTRICTED UNCLASSIFIED (over)

3. If convenient, with you, I would appreciate scheduling a meeting in your office for 2 o'clock Friday, 26 March 1954 with the representatives of the DD/I Offices to secure comments on the attached. Mr. Mason is agreeable to this time and will be available to explain developments to date unless the Congressional Budget Hearings should carry over until Friday.

4. In reference to Tab B, it is suggested only that portion pertaining to the DD/I area be made available to the DD/I Offices. It is assumed that Mason is taking appropriate steps with DD/P and DD/A to the extent that the study is applicable to those areas.



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